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5 ATTORNEYS FOR Debtors

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8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
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11 In re:) Case No. 09-51900 ASW

12 BENYAM and PAULA MULUGETA,) CHAPTER 11

13 Debtors.)

14) **DECLARATION OF WILLIAM J.**
15) **HEALY RE: EX PARTE MOTION TO**
16) **BE RELIEVED OR ALTERNATIVELY**
17) **FOR ORDER SHORTENING TIME**
18) **FOR HEARING ON MOTION TO BE**
19) **RELIEVED AS COUNSEL**

18 I, William J. Healy, do hereby declare:

19 1. I am an attorney at law duly licensed to practice before all the courts of the State of
20 California and several districts and divisions of the United States District Court in the State
21 of California, including this court. I am a member of the law firm of Campeau Goodsell
22 Smith ("CGS"), attorney herein for Debtors and involved in the above entitled bankruptcy.
23 2. I submit his declaration of my own personal knowledge except as to those matters
24 upon which I am informed and believe and as to those matters I am informed and believe
25 them to be true. If called to testify as to the matters stated herein I could do so in an honest
26 and competent manner. By way of this declaration I do not intend to waive any attorney
27 client or work product privileges.
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DECLARATION OF WILLIAM J. HEALY RE: EX PARTE MOTION TO BE RELIEVED OR ALTERNATIVELY FOR ORDER
SHORTENING TIME FOR HEARING ON MOTION TO BE RELIEVED AS COUNSEL

1 3. I submit this declaration in support of CGS's **EX PARTE MOTION TO BE**
2 **RELIEVED OR ALTERNATIVELY FOR ORDER SHORTENING TIME FOR HEARING**
3 **ON MOTION TO BE RELIEVED AS COUNSEL.**

4 4. On September 30, 2009, Debtors BENYAM and PAULA MULUGETA ("Debtors")
5 advised CAMPEAU GOODSSELL SMITH ("CGS") that its services were terminated. The
6 Court was advised of Debtors' decision at a September 30, 2009 hearing. At the same time
7 CGS advised Debtors that it agreed with Debtors' request and that it had determined that it
8 could not continue with its representation of Debtors and absent a signed stipulation would
9 move the court to be formally relieved. As such, Debtors and CGS mutually agreed that CGS
10 may be relieved as counsel for the Debtors and Debtors were to substitute in and act as their
11 own counsel or retain new counsel.

12 5. At and following the September 30, 2009 hearings, Debtors and CGS discussed, at
13 length, Debtors' termination of CGS and CGS's position that it could no longer continue its
14 representation of Debtors. Debtors and CGS agreed that the attorney client relationship was
15 fatally broken, it was necessary and in the best interest for Debtors and CGS to terminate the
16 relationship immediately, Debtors and CGS would promptly sign and file a stipulation for
17 substitution of attorneys (which was handed to Mr. Mulugeta), and CGS would conclude
18 services in this matter by submitting an order to the court (approved by Lone Oak Fund,
19 LLC and Tomoko Nakam) relative to the September 30, 2009 hearings and assisting in the
20 delivery of monies to secured creditor Lone Oak Fund, LLC pursuant to the court's
21 September 30, 2009 hearings and court's related minute orders.

22 6. Therefore, on September 30, 2009, CGS provided Debtors with a formal Stipulation
23 For Substitution of Attorney. Mr. Mulugeta confirmed both Debtors would sign the
24 Stipulation For Substitution of Attorney and return it to CGS promptly. Debtors and CGS
25 agreed that the signed Stipulation For Substitution should be received by CGS no later than
26 Monday, October 5, 2009 so it could be submitted to the court for approval or CGS would
27 file an expedited motion to be relieved as counsel.

1 7. On October 2, 2009, CGS reminded Debtors that if it did not receive the signed
2 Stipulation For Substitution Of Attorney by Monday, October 5, 2009 that CGS would file
3 an expedited motion to be relieved as counsel for Debtors.

4 8. On October 5, 2009, CGS requested that Debtors return the signed Stipulation For
5 Substitution Of Attorney by October 5, 2009 at noon, or CGS would file an expedited
6 motion to be relieved as counsel for Debtors.

7 9. Presently, Debtors have not returned the signed Stipulation For Substitution Of
8 Attorney as previously agreed.

9 10. CGS did not file this ex parte application and motion before today because, as
10 discussed hereinabove, Debtors agreed to sign and return the Stipulation For Substitution Of
11 Attorneys and CGS agreed it would not take action until October 5, 2009. Although Debtors
12 have not return the signed stipulation, CGS has complied with its representations, namely
13 on October 2, 2009, CGS submitted to the court an order relative to the September 30, 2009
14 hearings (approved by Lone Oak Fund, LLC and Tomoko Nakama), Debtors personally
15 handled delivery of funds to secured creditor Lone Oak Fund, LLC on Friday, October 2,
16 2009 (via Federal Express), and on October 2, 2009 CGS provided delivery information in
17 the form of a Federal Express Tracking Number to counsel for Lone Oak Fund, LLC. via
18 telephone and email.

19 11. CGS has provided Debtors, via email and regular mail, with a written summary of
20 pending dates and deadlines. Debtors have access to and regularly utilized Pacer

21 12. CGS's motion, and alternative request for an expedited hearing, is necessary
22 because, as indicated in the accompanying motion, the attorney client relationship between
23 Debtors and CGS appears fatally broken, it has become unreasonably difficult for CGS to
24 carry out the employment effectively, Debtors have indicated they have terminated CGS's
25 services and otherwise knowingly and freely assented to the termination of CGS's services
26 as requested by CGS, and CGS believe, in good faith, there is good cause for withdrawal.

27 13. Further, at the September 30, 2009, hearing and in the court's related minute
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1 orders, a schedule of dates, deadlines, and obligations were established which require
2 Debtors to take various actions and file various documents with the court. Debtors appear to
3 have complied with the first deadline as discussed hereinabove. The next date or deadline
4 established by the court is Friday, October 9, 2009, at which time Debtors are to file various
5 pleadings with the court.

6 14. CGS request the court grant its motion to be relieved as counsel or
7 alternatively schedule an expedited hearing so CGS's representation can be formally
8 concluded prior to the running of any further deadlines established by the court.

9 I declare under penalty of perjury under the laws of the United States Of America that the
10 foregoing is true and correct and executed this 5th day of October 2009, in San Jose,
11 California

12 /s/ William J. Healy

13 William J. Healy

14 Attorneys For Debtors
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